

Trachtenberg School of Public Policy and Public Administration
PPPA 6005
Public Budgeting, Revenue, and Expenditure Analysis
Fall 2022

Instructor: Kate Yang (langyang@gwu.edu)

Grader: Gabriel Royal, gabe_royal@gwmail.gwu.edu

Time: Tuesday, 6:10 pm – 8:00 pm

Location: Funger Hall 209 (course live and recorded on Blackboard Collaborate Ultra)

Office Hours: Drop-in office hour Monday 1-2 pm on [Webex](#), or make an appointment through [instructor's booking site](#) (if the listed time slots do not work, feel free to email me about alternative times)

1. Course Description

How does a government decide whether and how much to spend on public education versus transportation? Should a government collect taxes or borrow money to fund public services and infrastructure? When we talk about a progressive tax, what do we mean and how do we measure progressivity?

To address these and other questions regarding raising and allocating government financial resources, this course provides an introduction to governmental budgeting and finance. We will start with an overview of what public budgeting is: the allocation of scarce resources in the public sector. We will discuss the key phases of budgeting: from the preparation of budget proposals to legislative consideration of those proposals to the eventual execution of budgets. We will learn why budgeting constitutes an essential component of government accountability and performance management. We will examine when to finance government spending through taxation or debt. We will learn the principles of good taxation and why the principles are often at odds with each other. Although discussions in this course are largely centered on the United States, international examples and comparisons are drawn when necessary.

2. Learning Objectives

The course will prepare students to: (1) explain how governments allocate scarce public monies and how budgeting contributes to the system of accountability and performance; (2) evaluate tax policies using government revenue principles and appreciate the intrinsic tradeoff in making policies; and (3) conduct and communicate budgetary and tax analysis effectively to a wide range of audiences.

More specifically, after completing this course, students will be able to:

- Describe the 4 phases of the budget cycle and how they relate to the broad issue of government accountability and performance.

- Evaluate ways to finance a specific public service and how the financing responsibility should be allocated across layers of governments.
- Identify data and other information you need when assessing budgetary issues.
- Apply the principles of government revenue to analyze tax policies.
- Perform basic budgetary accounting using spreadsheet software.
- Interpret government budgets and financial reports and extract useful information.
- Communicate budgetary and fiscal analysis.

3. Learning Activities

While we will meet in person for class, all sessions will be live-streamed and recorded on Blackboard Collaborate Ultra for occasional remote participation and post-class review. We will use Blackboard exclusively for posting course materials and submitting assignments, in order to engage in the following learning activities. All detailed instructions for these activities will be available on Blackboard.

(1) Participation

Excel tutorial. Through working on the self-guided spreadsheet exercise, students will gain/regain familiarity with basic Excel functions and self-assess if additional practice is needed.

Class discussions and activities. Besides lectures, students will participate in various in-class activities such as small-group discussion, policy debate, and quick polling.

Reading report. At the beginning of one class during the semester, a student will report to the class on takeaways and questions regarding that week's reading, or share a news article relevant to the reading. *The reading report should also be submitted in writing on the Discussion Forum on Blackboard at least one day prior to the class. You can find the week you are assigned to and make the submission on the course Blackboard page: Discussions – reading report.*

(2) Weekly assignments

The nine weekly assignments give you a chance to review the concepts and apply the tools you have learned in class. The formats of each assignment differ, but expect to work on 1 assignment on short-answer questions, 1 open-ended online gameplay, 3 short memo, and 4 Excel spreadsheet analyses.

(3) Daycare Center Budget

A two-component assignment. First, you will apply budget building and analysis skills in Excel. Second, based on your analysis, design policy recommendations and communicate your findings.

(4) Mid-term and final exams

A collection of multiple-choice questions, open-ended essay questions, and spreadsheet analysis questions that integrate the course concepts and analytical tools from the course.

4. Evaluation

Your final grade will be the sum of grades on the following activities.

- *Attendance & participation: 5 %*
- *Weekly assignments: 45 %*
- *Daycare Center budget: 10 %*
- *Mid-term exam: 20 %*
- *Final exam: 20 %*

Grading scale (based on TSPPPA student handbook: “no student will be permitted to graduate with a GPA of less than 3.0”; that is an average of B across all your courses).

A	>93.50 up through 100 (← specifically: 93.51 – 100)
A-	>89.50 up to and including 93.50
B+	>86.50 up to and including 89.50
B	>83.50 up to and including 86.50
B-	>79.50 up to and including 83.50
C+	>76.50 up to and including 79.50
C	>73.50 up to and including 76.50
C-	>69.50 up to and including 73.50

5. Class materials

- 1) Required textbook: students will gain a comprehensive and structured understanding of public budgeting and finance through the following textbook: Lee, Robert D., Ronald Johnson, and Philip Joyce, *Public Budgeting Systems*, Jones and Bartlett Publishers (9th or 10th Edition).
- 2) Additional readings: these academic literature, government documents, and professional reports will provide a deep dive or practical look at specific issues. These readings are listed in this syllabus and available on Blackboard.
- 3) Software: to conduct spreadsheet analysis and memo writing, please ensure access to Microsoft Word, Excel, or other software with equivalent functions. The university provides [free downloads of the Microsoft Office Suite](#). Although experience with Excel is not a prerequisite for this class, you should be able to allocate a significant amount of time at the beginning of the semester to gain familiarity with the software if you are not already comfortable with using Excel to construct tables and perform simple calculations. In all work done in Excel, points may be taken off for numbers that are directly typed into Excel without showing the calculation/formula.

6. Class Policies and Expectations

- 1) Course delivery mode. The course is offered in person, but live-streamed and recorded on Blackboard. All course materials, including course recordings, are for your personal use. Unauthorized distributing or sharing of any part of a recorded lecture or course materials,

as well as using provided information for purposes other than the student's own learning may be deemed a violation of GW's Student Conduct Code.

- 2) COVID-19 policies and attendance. Please refer to the [university website](#) for the most up-to-date COVID-19 policies. If you cannot attend class in person due to [quarantine requirements](#), remember that virtual participation is always an option. If you cannot attend class either in person or virtually, please provide advance notice for excused absences.
- 3) Minimum Time Requirement. This is a 3-credit graduate course. Over 14 weeks, students will spend about 2 hours per week in class. Required reading and written assignments are expected to take up, on average, 6 hours per week. Over the course of the semester, students will spend 28 hours in instructional time and about 85 hours outside of class.
- 4) Instructor response time. I will respond to emails within 24 hours (excluding weekends and holidays).
- 5) Late assignments. All weekly assignments are due in six days, leaving one day for grading so that you will receive feedback before the start of the next class. For the other, longer assignments, you have more time as specified in the later "Course Schedule" section and on Blackboard; it may take the instructor up to one week to provide feedback. Late work will be accepted up to ONE WEEK after the due date, but grading will be penalized for late submission (5% penalty for the first offense and an additional 5% for each offense after that). No credit for work submitted more than one week late unless you have extraordinary circumstances.
- 6) Individual work. Students are welcome to consult with each other on homework assignments, but should individually draft responses. All work on the exams should be your own, solo effort.
- 7) Changes to the Syllabus. Please note that this syllabus is intended to be a guide to the course for students. Sound educational practice requires flexibility and the instructor may, with appropriate notice, change the content and requirements during the course.
- 8) Classroom expectation. Higher education works best when it becomes a vigorous and lively marketplace of ideas in which all points of view are heard. Free expression in the classroom is an integral part of this process. At the same time, higher education works best when all of us approach the enterprise with empathy and respect for others, irrespective of their ideology, political views, or identity. We value civility because that is the kind of community we want, and we care for it because civility permits intellectual exploration and growth.
- 9) Respect for Diversity. It is my intent that students from all backgrounds and perspectives be well-served by this course, that students' learning needs be addressed both in and out of class, and that the diversity that students bring to this class be viewed as a resource, strength, and benefit. I strive to create an inclusive classroom and present materials and activities that are respectful of diversity including gender, sexuality, disability, age, socioeconomic status, ethnicity, race, culture, and political affiliation. Your suggestions on how to help me succeed with this are encouraged and appreciated.

7. Class Schedule

August 30, Class 1 — Course Overview, Government's Role

Why do we need governments to pay for things?

Pre-class reading:

- Lee/Johnson/Joyce, Ch. 1, Ch. 3 (**only** “OBJECTIVES OF ECONOMIC POLICY”)
- Congressional Research Service, Basic Federal Budgeting Terminology
- Richard A. Musgrave, “The Theory of Public Finance.” Ch. 1. A Multiple theory of the public household.

Post-class activity:

Excel tutorial: this ungraded, self-guided exercise prepares you for spreadsheet analysis. Submission counts toward participation. Due by 8 PM, September 5.

September 6, Class 2 — Size of Government, Budget Cycles

The federal government spent \$4.4 trillion in 2019 and \$6.6 trillion in 2020. Why?

Pre-class reading:

- Lee/Johnson/Joyce, Ch. 2, Ch. 3 (**only** “TOOLS AVAILABLE TO AFFECT THE ECONOMY”), Ch. 4
- OMB, Analytical Perspectives, **skim** through the chapter on “Budget Concepts”
- Peter G. Peterson Foundation, **skim** through “Selected Charts on the Long-Term Fiscal Challenges of the United States”

Post-class activity:

Weekly assignment 1: short-answer questions guiding students to find and digest budget-related information from a variety of government sources. Due by 8 PM, September 12.

September 13, Class 3 — System of Budgeting, Budget Preparation

Why is the government budget 200-page long and you are telling me that's not all?!

Pre-class reading:

- Lee/Johnson/Joyce, Ch.7, Ch.8
- OMB Circular A-11: **skim the table of contents** (the whole document is about 1000 pages long!), read p. 1-3 of section 51 (p.141-143 of pdf)

Post-class activity:

Weekly assignment 2: a one-page memo analyzing a government's budget of your choice. Due by 8 PM, September 19.

September 20, Class 4 — Budget Approval, Function of CBO

What is the “power of the purse?”

Pre-class reading:

- Lee/Johnson/Joyce, Ch. 9, Ch.10.
- Committee for a Responsible Federal Budget: Reconciliation 101

Post-class activity:

Weekly assignment 3: the Fiscal Ship game helps you gain an appreciation of the difficulty in making budget tradeoffs. Due by 8 PM, September 26.

September 27, Class 5 — Baseline Projections; Federal Debt and Deficit

Do you project your finances 10 years into the future? The federal government does.

Pre-class reading:

- **Skim tables and charts** in Congressional Budget Office, *Budget and Economic Outlook*
- Elizabeth McNichol & Dylan Grundman, 2011. The Current Services Baseline: A Tool for Understanding Budget Choices. Center on Budget and Policy Priorities.
- John Mikesell, 2013. Federal Debt Limit in the United States: The Perverse Impact of an Outmoded Control Mechanism. *Business Systems and Economics*.
- The Economist. "Governments can borrow more than was once believed."

Post-class activity:

Weekly assignment 4: this spreadsheet exercise leads you through the process of projecting the budgetary outcome of a mandatory spending program. Due by 8 PM, October 3.

October 4, Class 6 — Cost Estimates

How do I know how much it costs?

Pre-class reading:

- Chapter 5 (pages 151-170), “Cost Analysis” of *Financial Strategy for Public Managers*.
- CBO: *Frequently Asked Questions about Cost Estimates*.

Post-class activity:

Weekly assignment 5: this spreadsheet exercise leads you through the process of projecting the budgetary outcome of a discretionary spending program. Due by 8 PM, October 10.

October 11, Class 7 — Guest Speaker on Cost Estimate; Budget Execution

What happens after budgets are approved?

Pre-class reading:

- A specific CBO cost estimate (will be sent out once the guest speaker confirms)
- Lee/Johnson/Joyce, Ch. 11 (**only** “Budget Office and Agency Relations”; **skim** the rest)

Post-class activity:

Daycare center budget: you will prepare a baseline budget and alternative scenarios through a hypothetical case. Through a short memo, you will learn to communicate budgetary analysis. Due 8 PM, October 24.

October 18, Class 8 — Financial Management

Is accounting boring or important?

Pre-class reading:

- Lee/Johnson/Joyce, Ch. 12 (the whole chapter **except** “Financial Reporting”)
- Dean M. Mead, 2001. The Quick Guide to State Government Financial Statements. Government Accounting Standards Board.

October 25 — Fall break, no class

November 1, Class 9 — Capital budgeting & Capital Finance

When is government debt a good idea?

Pre-class reading:

- Lee/Johnson/Joyce: Ch. 13 (the whole chapter **except** “Capital Project Analysis”), Ch. 14
- Standard & Poor’s, 2007. Public Finance Criteria. Read **only** “GO Debt” on pages 60-66.

Post-class activity:

Weekly assignment 6: a one-page memo analyzing a government’s financial report of your choice. Due by 8 PM, November 7.

November 8, Class 10 — Intergovernmental Fiscal Relations & State and Local Budgeting

Why are there 90,000 local governments in the United States?

Pre-class reading:

- Lee/Johnson/Joyce: Chapter 15
- NASBO, Budget Processes in the States: Chapters 2 & 3 but **not** state-by-state tables

Post-class activity:

Mid-term exam: you will review and apply concepts and tools from class 1-8 through completing an open-book and open-note exam on Blackboard. Due by 8 PM, November 14.

November 15, Class 11 — Introduction to Government Revenue

What makes a good tax?

Pre-class reading:

- Wallace Oates and Robert Schwab, 2014. The Window Tax: A Transparent Case of Excess Burden. Land Lines, Lincoln Institute of Land Policy.
- John Mikesell. Chapter 7, "Taxation: Criteria for Evaluating Revenue Options." Fiscal Administration.

Post-class activity:

Weekly assignment 7: a one-page memo analyzing the case "Birth, Marriage, Death, and Taxes." Due by 8 PM, November 21.

November 22, Class 12 — Personal Income Tax

Why do we spend hours, a lot of money, or both to file our tax returns?

Pre-class reading:

- Lee/Johnson/Joyce, Ch. 5
- Chapter 3: Tax Basics, by President's Advisory Panel on Federal Tax Reform, 2005.

Post-class activity:

Weekly assignment 8: you will gain further understanding of the federal personal income tax through this spreadsheet exercise. Due 8 PM, November 28.

November 29, Class 13 — Payroll tax; Property Tax

Why should we like property taxes a bit more?

Pre-class reading:

- Chapter 1 of “A Good Tax: Legal and Policy Issues for the Property Tax in the United States” (by Joan Youngman).
- D.C. Policy Center. “Racial Equity Evaluation of Residential Property Assessments in the District of Columbia”

Post-class activity:

Weekly assignment 9: you will further learn about property taxes through this spreadsheet exercise. Due 8 PM, December 5.

December 6, Class 14 — Sales Taxes

Why do I pay two taxes on my beer?

Pre-class reading:

- Lee/Johnson/Joyce, Ch. 6
- Congressional Research Service. “State Sales and Use Tax Nexus After *South Dakota v. Wayfair*.”

Post-class activity:

Final exam: you will review and apply concepts and tools from class 9-14 through completing an open-book and open-note exam on Blackboard. Due by 8 PM, December 13.

8. University Policies and Resources

University Policy on Religious Holidays. Students should notify faculty during the first week of the semester of their intention to be absent from class on their day(s) of religious observance.

Academic Integrity Code. Academic dishonesty is defined as cheating of any kind, including misrepresenting one’s own work, taking credit for the work of others without crediting them and without appropriate authorization, and the fabrication of information. For the complete Academic Integrity Code, see: [GWU academic integrity code](#)

Changing Grades after Completion of Course: No changes can be made in grades after the conclusion of the semester, other than in cases of clerical error.

Incompletes: A student must consult with the instructor to obtain a grade of “I” (incomplete) no later than the last day of classes. At that time, the student and instructor will both sign the CCAS contract for incompletes and submit a copy to the School Director. Please consult the TSPPA Student Handbook for the complete CCAS policy on incompletes.

Accommodation for Students with Disabilities: Any student who may need an accommodation based on the potential impact of a disability should contact the Office of Disability Support Services at 202-994-8250 in the Rome Hall, Suite 102, to establish eligibility and to coordinate reasonable accommodations. For additional information, please refer to [GWU disability support](#).

GW Counseling Resources: In addition, should you need any non-academic support outside of class please consult the [University Counseling Center](#).